

SHARED USE EQUIPMENT PROGRAM

(Approved December 17, 2004)



The following guidelines have been developed for the establishment of shared-use equipment programs utilizing County Agricultural Development Funds.

This document provides program goals, eligible investments, and implementation guidelines for agencies seeking to initiate a local program. Guidelines are considered to be minimum standards by which a program is to be implemented.

Questions concerning these guidelines should be directed to the Governor's Office of Agricultural Policy at (502) 564-4627. Application for funds must be directed through the local County Agricultural Development Council(s).

I. Program Goals

The goals of the program are to:

- Impact a high number of producers affected by loss of income resulting from cuts in tobacco quota
- Reach farmers who cannot justify ownership expenses associated with certain equipment
- Provide counties with limited resources options to serve a greater number of producers than other programs may allow
- Help producers access technology necessary to improve their operations in an economical manner

II. Eligible Equipment

A. Forage Improvement:

1. No-till drills
2. Pasture renovators
3. Silage wrappers or baggers
4. In-line bale wrappers, and
5. Pasture aerators

B. Cattle Handling:

1. Scales
2. Chutes (loading, squeeze)
3. Crowding tubs
4. Corral panels
5. Headgates

C. Goat Handling:

1. Portable corral pens
2. Alley way
3. Head chute
4. Scale

D. Horticulture:

1. Bed shaper
2. Mulch/trickle tube layer
3. Vegetable transplanter

E. Other:

1. Tree planter
2. Lime spreader for use on steeper ground
3. Trailer for transporting shared-use equipment

Prerequisites

- Eligible applicants shall be limited broad-based community organizations, such as the County Farm Bureau or the County Conservation District.
- Any single piece of equipment purchased through this program that is over \$20,000 will require a lien recorded by applicant and mailed or faxed to the KY Agricultural Development Board (KADB) legal counsel. Disposal of the property within a five-year period from the initiation of the agreement requires approval by KADB staff with reversion rights to the KADB. Upon reversion the KADB may redirect the asset to an area of need.
- Cost share match will be a minimum of 50% of the purchase price of the equipment.
- A user fee structure for maintenance and repairs, as well as equipment replacement, must be a part of the grant application.

- All equipment purchases require three written bids (or quotes) with the best bid being accepted.
- The purchasing entity shall supply the bid documentation and an explanation as to why the particular bid was selected. For custom seeding, a receipt for the services rendered and total cost of those services must be provided before reimbursement occurs.
- The purchasing entity must maintain insurance on the equipment through the life of the lien. Where the purchase price of the equipment is over \$20,000, the Kentucky Agricultural Development Board will be listed as an additional insured.
- The application must describe what producers will have access to the equipment and how producers will know about its availability.

III. Application Procedures

A. Guidelines for Local Agency Application for Program Administration

1. The local agency must be qualified and willing to administer the full responsibilities of the program. A tax identification number, a letter expressing a willingness to administer the program, and an indication of specific individuals that will be responsible for administering and reporting on the program must be included in the application.
2. Regional agencies may participate as grantees, if Agricultural Development Councils from the region concur. Regional grantees will be required to account for Agricultural Development Funds on a county-by-county basis and may spend County funds only in the County from whose account funds are drawn, unless the respective County Agricultural Development Council has agreed to fund expenditures outside its county boundary.
3. The program administrator shall identify two co-signers for the purpose of signing checks and disbursing funds from the program's account. The program administrator shall indicate who they are and their position within the organization.
4. Either the fiscal agent or the individuals who sign checks for the program shall be bonded or appropriately insured at a level sufficient to cover the amount of the funds being administered. Documentation of bonding or appropriate insurance shall be submitted with the signed legal agreement.
5. The local agency must communicate in the application the activity and scope of existing related county programs supporting the eligible investment areas in Agricultural Diversification that farmers can access through other agencies. Need for a new program must be clearly evident in the application.
6. The *County Model Program Application*, including cover sheet, must be submitted with a *County Priority Sheet* for new equipment requests.
7. Agricultural Development Funds contributed to the program cannot exceed 50%, unless the program administrator or the County Council determines that a reduced match is needed for this program.

The Council may approve a reduction in the producer's cost-share for this program to an amount **no less than 25%**. This decision and the cost-share percentages shall be indicated on the *County Council Priority Sheet*, which is sent to the Agricultural Development Board with the application.

8. Any funds requested for administrative purposes shall not be used to replace the funding sources of existing or established salaries and positions. Program administration funds may be used for costs above and beyond normal duties and salaries that are associated with:
 - a. Processing of producer payments;
 - b. Processing of producer applications;
 - c. Completion of program reporting forms;
 - d. Promotion of program availability;
 - e. Cost of bonding; and
 - f. Program compliance activities

One or more local agencies may combine administrative functions to create more efficient programs of grant administration.

9. The program administrator shall ensure that commingling of agricultural development funds does not occur. Therefore, the program's funds shall reside in a unique and separate bank account from any other account.

Administrators who are the fiscal agent for multiple counties may keep at a minimum one account per county. However, one account per program per county is preferred.

10. Local program sign-up and advertising shall not occur prior to the execution of the legal agreement between the program administrator and the Agricultural Development Board.
11. Demonstration programs are strongly recommended as part of the Cooperative Extension Service role in the program. The demonstrations should show differences between production techniques and marketing for that particular enterprise. While eligibility to participate need not be explicitly tied to attending a demonstration, it is strongly recommended that these demonstration programs be a component of this model program.
 - a. Demonstration program promotion should be evident in the application. It is recommended the demonstration be local and on-farm.
 - b. It is recommended that funds be set aside for implementation of the demonstration program, reimbursed by receipt. These costs would not include food for field days, but should be expendables related to the demonstration.
14. Attendance at educational sessions related to the establishment of the local shared-use equipment program shall be required for participation in the program.

B. Guidelines for Local Agency Administration

1. After receiving a copy of the executed agreement, there shall be a minimum of two consecutive weeks of advertising with applications being accepted no earlier than two weeks after the date of the first advertisement. This must occur for each sign-up period, if there is more than one sign-up during the duration of the grant agreement.

For example, when the administrator receives a copy of their executed agreement they may begin advertising for sign-ups. If the first advertisement runs January 15, then the first application may be taken January 29.

2. An advertisement must, at the very least, be prominently displayed in the county's newspaper where the most farmers will see it. A copy of the advertisement, which includes the name and date of the newspaper, shall be submitted to the KADB staff.
3. The application and program promotion and communication plan should be outlined in the agency's application for Agricultural Development Funds.
4. The program shall be open to all county/regional producers and shall not be tied to participation in any organization.

Administrators shall not reject an application solely based on the applicant's residency, assuming funding is available and the application meets the program guidelines. Administrators shall accept an application if the applicant's farm is located in the county and the cost-share will be used in the county, even if the Farm Serial Number (FSN) is registered in another county.

5. Program administrators shall be required to conduct random site visits.
6. If funds set forth in the agreement between the Agricultural Development Board and the administrator are not completely utilized within the term of the legal agreement, then remaining funds, including interest, shall be returned to the Agricultural Development Board for redeposit into the county's account.

Checks should be made payable to the **Kentucky State Treasurer**.

7. Any and all interest earned on funds for this program shall be applied to this program. Any remaining funds, including interest income, shall be returned to the Agricultural Development Board for redeposit into the county's account at the end of the term of the agreement. All interest earned shall be reported on a quarterly basis.
8. **Reporting: Quarterly Reporting**, which includes the *Model Program Summary* and *Program Quarterly Detail*, is required of the program administrator. Reporting forms can be downloaded from http://agpolicy.ky.gov/funds/program_reporting.shtml. These reporting forms shall be submitted electronically to govkyagpolicy@ky.gov or a diskette mailed to Governor's Office of Agricultural Policy/404 Ann Street/Frankfort, KY 40601.

A **reconciliation report** is due 60 days after the term of the agreement. The reconciliation report includes, but is not limited to, the *Model Program Summary* and the *Program Quarterly Detail* for any payments made since the last submitted quarterly report. Also, copies of bank statements with check numbers and amounts shall be kept on file according to the legal agreement and presented in the event of an audit. Administrators shall maintain all administrative records for this program for a period of seven (7) years.

The **Close-out** of this agreement may occur when the above is completed and verified, and any programmatic data due from producers is submitted on the *Close-out Data Report*. This final close out may occur at a date beyond the reconciliation, depending on the program.

9. Model program guideline compliance and quarterly reporting of expenditures are essential to gauging the impact and continuity of the program. Therefore, county model programs may be audited on a random basis. The administrator shall produce all documents pertaining to individual producers who participate in this program, as well as other appropriate financial documents related to this program's account.